

The LIAJ's Comments on the Exposure Draft
***Initial Application of IFRS 17 and IFRS 9—
Comparative Information***

27 September 2021

The Life Insurance Association of Japan (LIAJ)

1. We, The Life Insurance Association of Japan (or the “LIAJ”), would like to extend our gratitude to the International Accounting Standards Board (or the “IASB”) for providing us with the opportunity to submit comments on the Exposure Draft, *Initial Application of IFRS 17 and IFRS 9–Comparative Information* (hereinafter referred to as the “ED”), published in July 2021.
2. The LIAJ is a trade association comprised of all 42 life insurance companies operating in Japan. Its goals are to promote the sound development of the life insurance industry in Japan, maintain its trustworthiness, and thereby contribute to improving the quality of life in Japan. The LIAJ would like to respectfully request the IASB to carefully consider the comments submitted from the sole representative body of the life insurance industry in Japan, which accounts for approximately 11%¹ of the world’s life insurance premiums.
3. The LIAJ agrees with the proposed amendment to IFRS 17 in the ED. The LIAJ appreciates the IASB’s efforts to proceed with the deliberation promptly and accurately, taking into account information received from stakeholders in publishing the ED. In addition, the LIAJ also highly appreciates that proposed amendment intended to leave it up to the judgement of stakeholders, in order to address identified issues, without making proposals overly prescriptive.
4. On the other hand, the LIAJ believes that IFRS 17 is a complex accounting standard and that there may be some issues in applying IFRS 17, which have not yet been clarified. It is expected that such issues will be clarified as application of IFRS 17 will proceed further. When conducting Post-implementation Review of IFRS 17 in the future, the LIAJ would like the IASB to analyse and consider again the results from medium- to long-term perspective, so that the nature of life insurance business would be appropriately reflected in the requirements of IFRS 17.
5. The LIAJ expects the IASB to continue further efforts toward developing more high-quality financial reporting standards, giving due consideration in comments from stakeholders.

¹ Swiss Re Institute, *sigma* No 3/2021.